

A post-Keynesian multi-commodity and multi-industry growth model

Topic: (2.1) Special Session: Stock-flow consistent input-output modelling

Author: Umed TEMURSHOEV

This paper extends the Keynesian-Kaleckian growth macro-model prototype of Godley and Lavoie (2012, Chapter 11) to a mesoeconomic stock-flow consistent (SFC) setting that allows for multiple commodities and industries. Akin to the commodity-by-industry approach in input-output analysis, the number of commodities are allowed to be different from that of industries and as such supply (or make) and use tables (SUTs), and not symmetric input-output tables which themselves are analytical constructs from SUTs, become an important data source in any empirical application of the proposed model. In dealing with secondary commodities (e.g. subsidiary products, by-products, joint products), the production block of the model allows for adopting different production technology assumptions (e.g. commodity technology, industry technology, or mixed technology). We derive the analytical short-run and long-run solutions of the model, and compare the results with their counterpart outcomes of the macro-SFC model. Finally, our simulation experiments give further insights into the transition dynamics of selected fiscal and monetary policy tools.